

# Cohen & Steers: Q2 2024 Earnings Presentation

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# Summary of second quarter 2024 results

## **Assets under management**

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- June 30, 2024 AUM was \$80.7 billion versus \$81.2 billion at March 31, 2024
- Average AUM was \$79.6 billion for Q2 2024 versus \$80.2 billion for Q1 2024
- Market appreciation of \$492 million for Q2 2024 versus market appreciation of \$679 million for Q1 2024

## **Flows**

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- Net outflows of \$345 million in Q2 2024 versus net outflows of \$2.0 billion in Q1 2024
- Net outflows in open-end funds, subadvisory ex. Japan and Japan subadvisory
- Net inflows in advisory

## **Financial results, as adjusted**

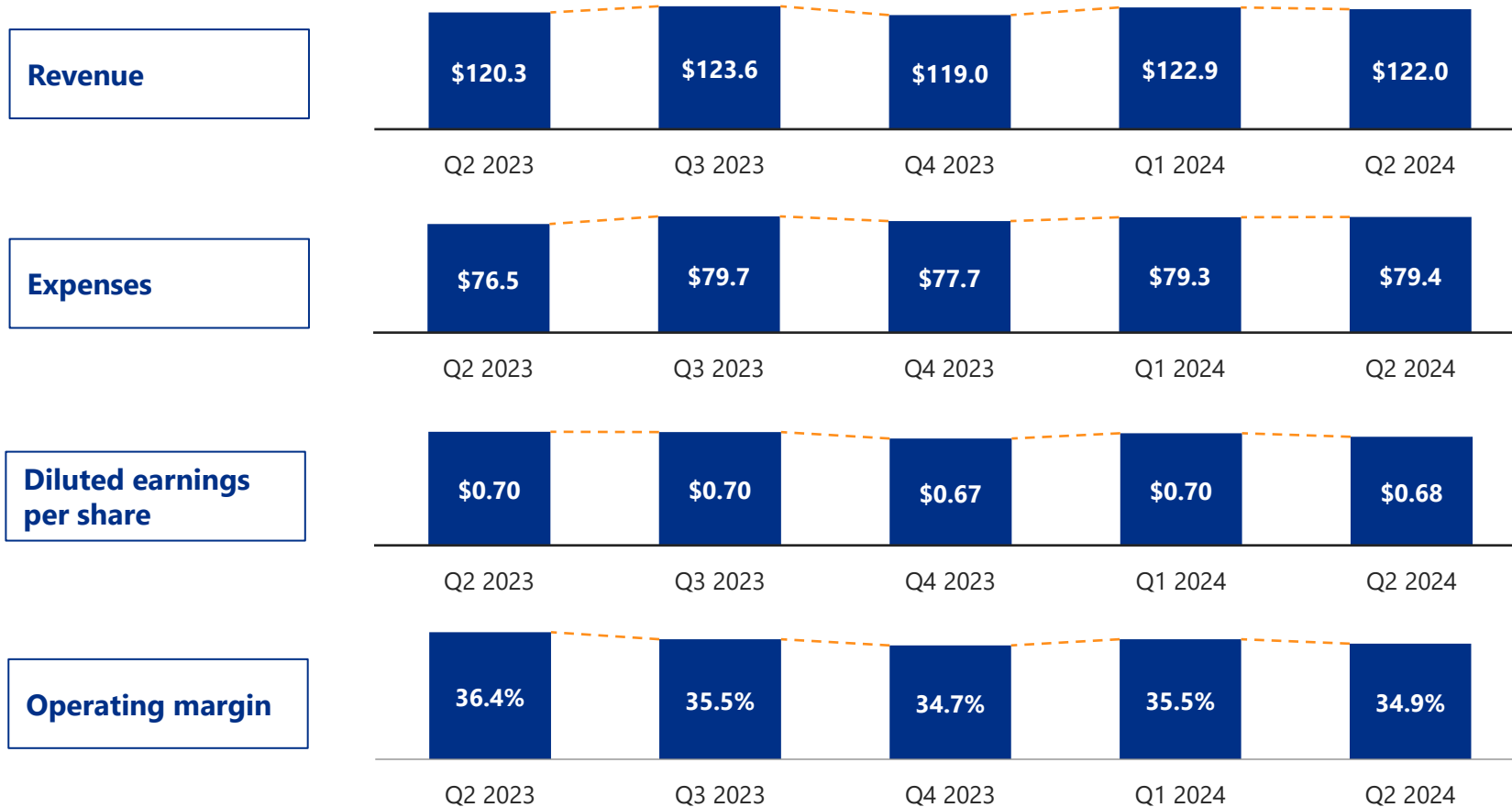
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- Net income was \$34.5 million in Q2 2024 versus \$34.7 million in Q1 2024
- Diluted EPS of \$0.68 in Q2 2024 versus \$0.70 in Q1 2024
- Operating margin was 34.9% in Q2 2024 versus 35.5% in Q1 2024

Refer to pages 16-20 of this presentation for reconciliations of U.S. GAAP to as adjusted results.

# Financial results, as adjusted

\$ in millions, except earnings per share and percentages

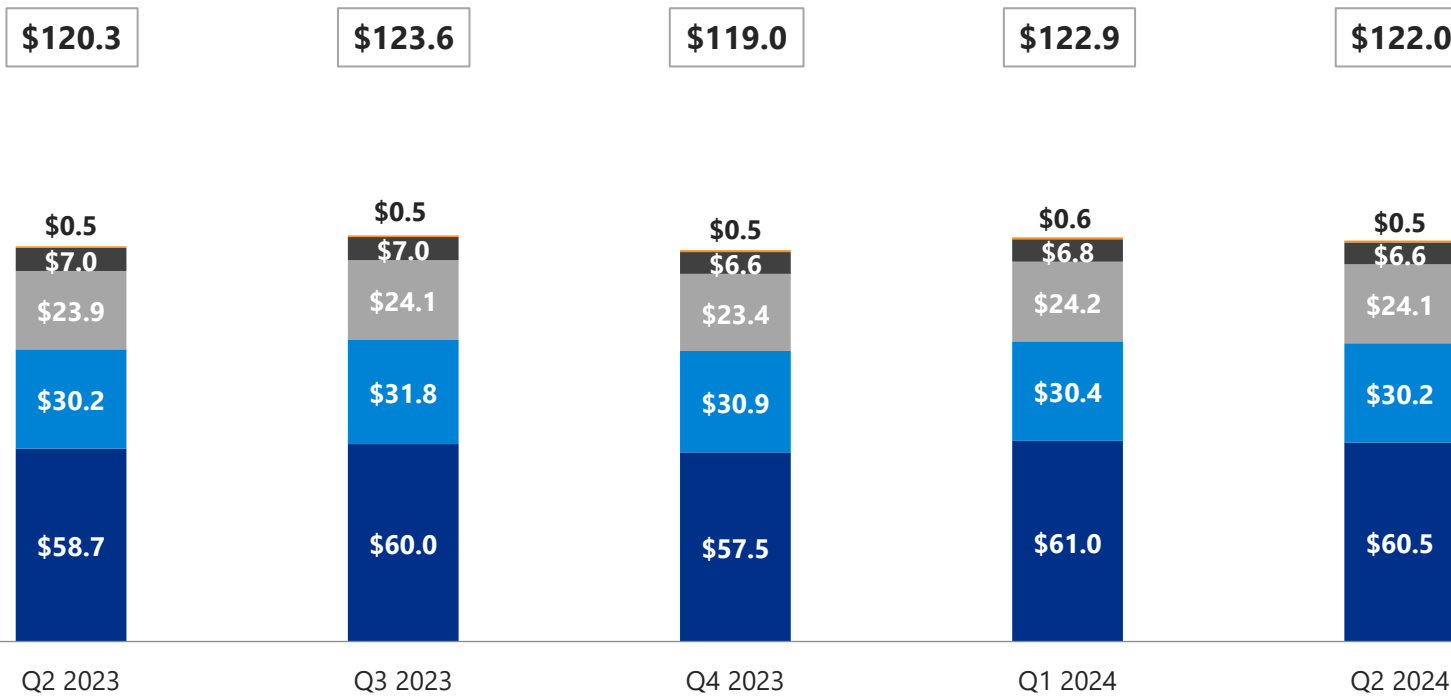


Refer to pages 16-20 of this presentation for reconciliations of U.S. GAAP to as adjusted results.

# Revenue, as adjusted

\$ in millions

■ Open-end fund fees   
 ■ Institutional fees   
 ■ Closed-end fund fees   
 ■ Distribution and service fees   
 ■ Other

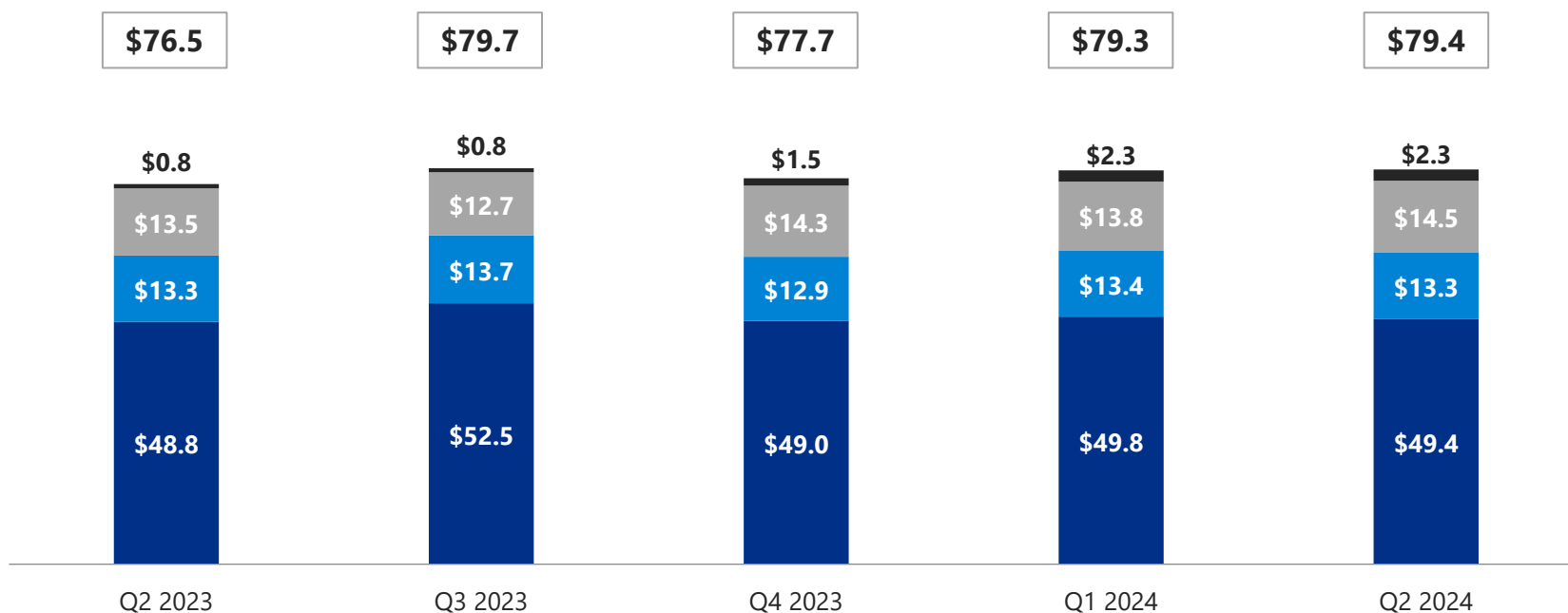


Refer to pages 16-20 of this presentation for reconciliations of U.S. GAAP to as adjusted results. Totals may not foot due to rounding.

# Expenses, as adjusted

\$ in millions

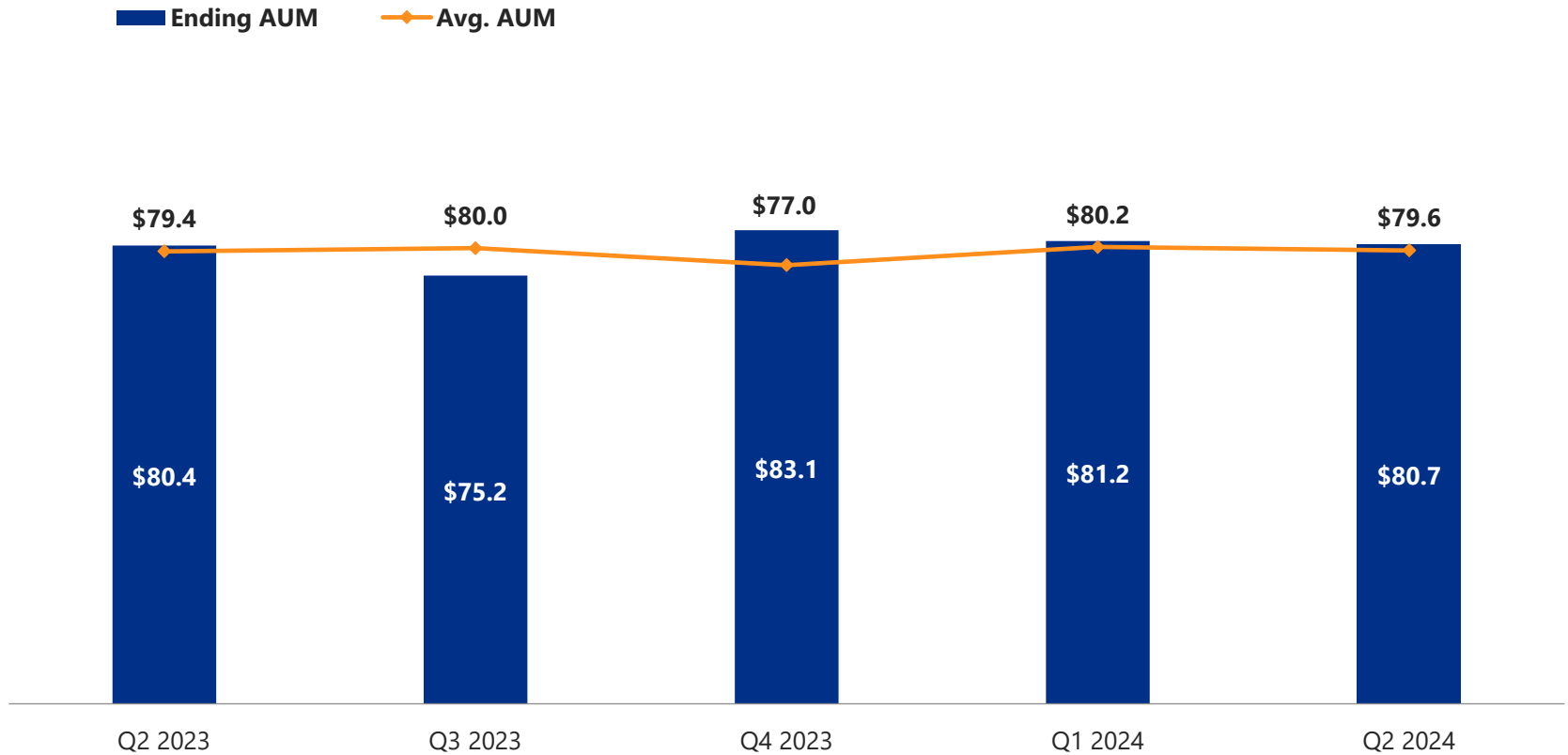
- Employee compensation and benefits
- Distribution and service fees
- General and administrative
- Depreciation and amortization



Refer to pages 16-20 of this presentation for reconciliations of U.S. GAAP to as adjusted results.  
Totals may not foot due to rounding.

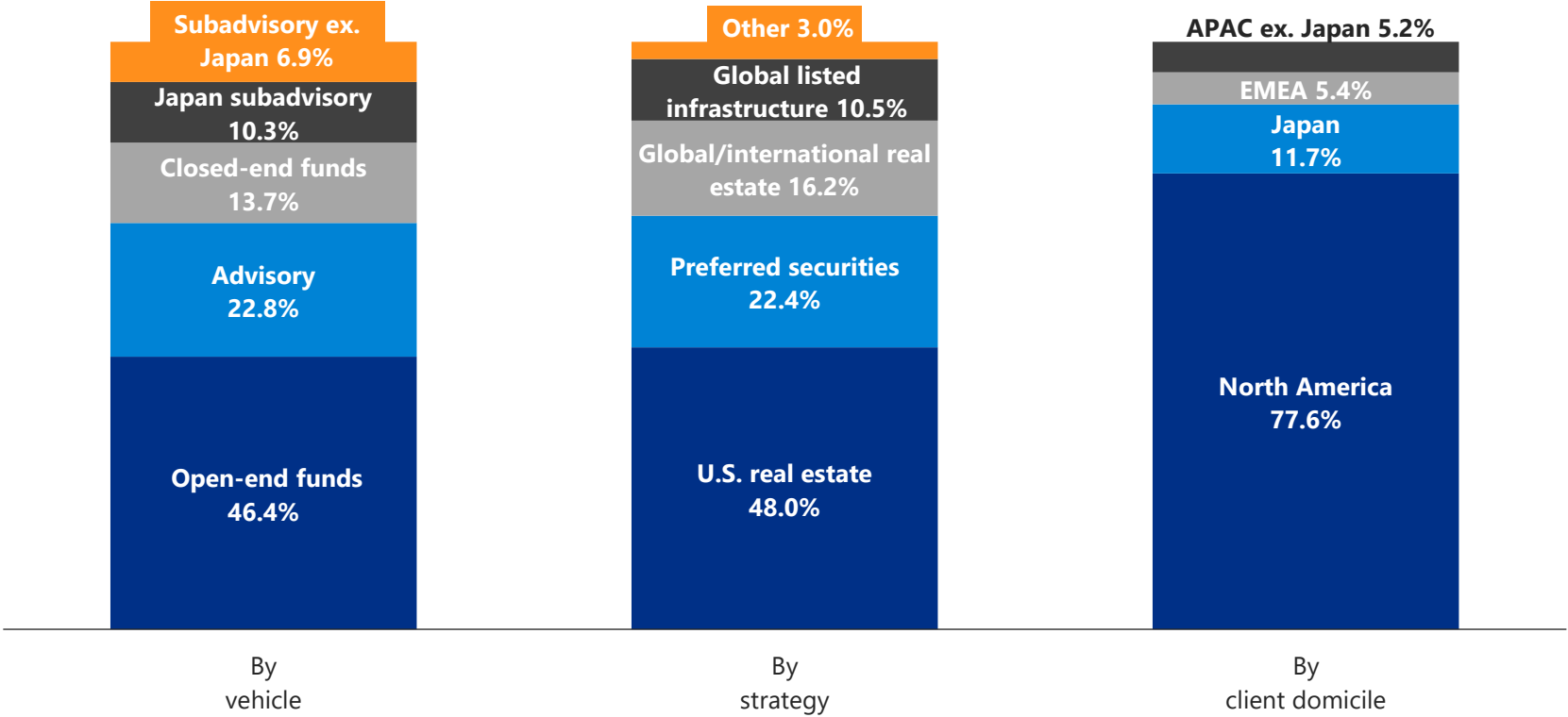
# Assets under management

\$ in billions



# Assets under management

Across vehicle, strategy, and client domicile

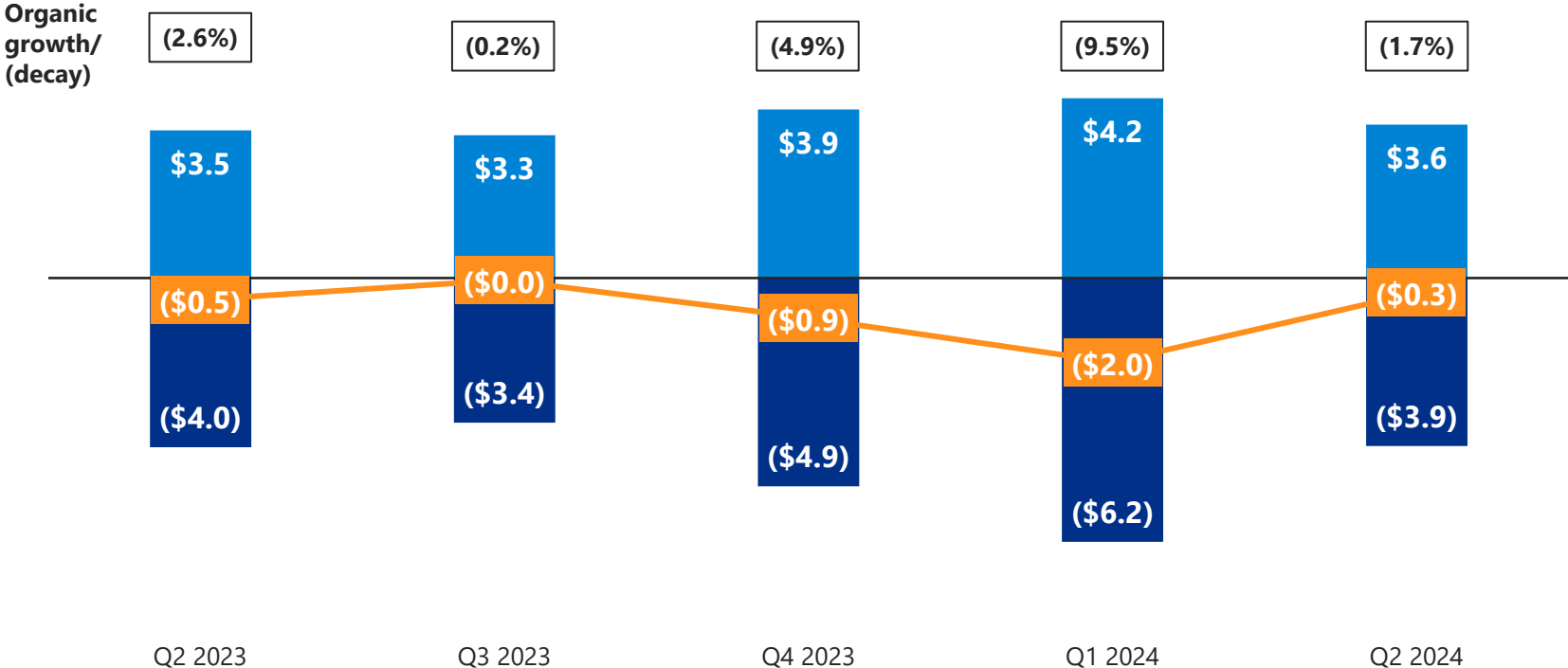


As of June 30, 2024.  
Totals may not foot due to rounding.

# Total firm net flows

\$ in billions

Inflows Outflows Net flows



Totals may not foot due to rounding.

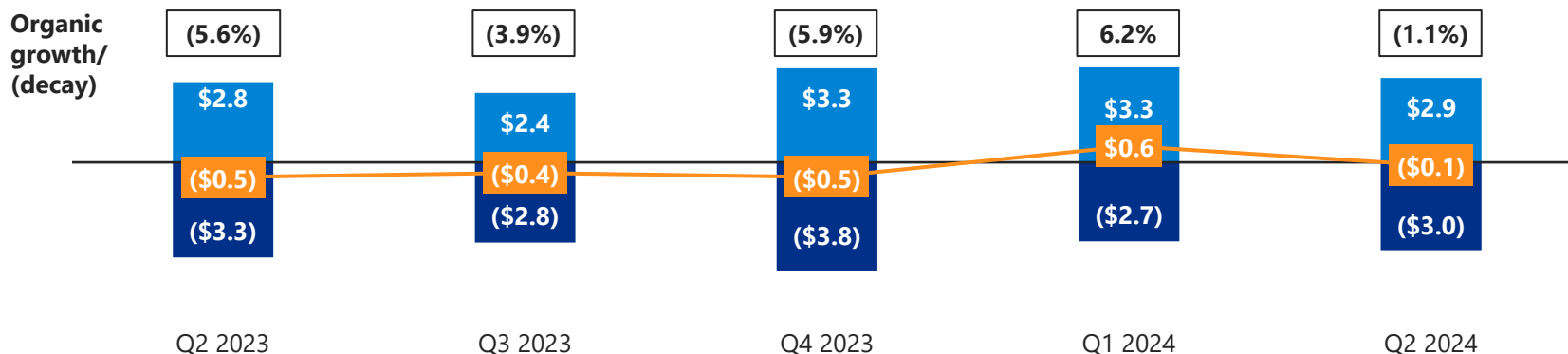


# Net flows by investment vehicle

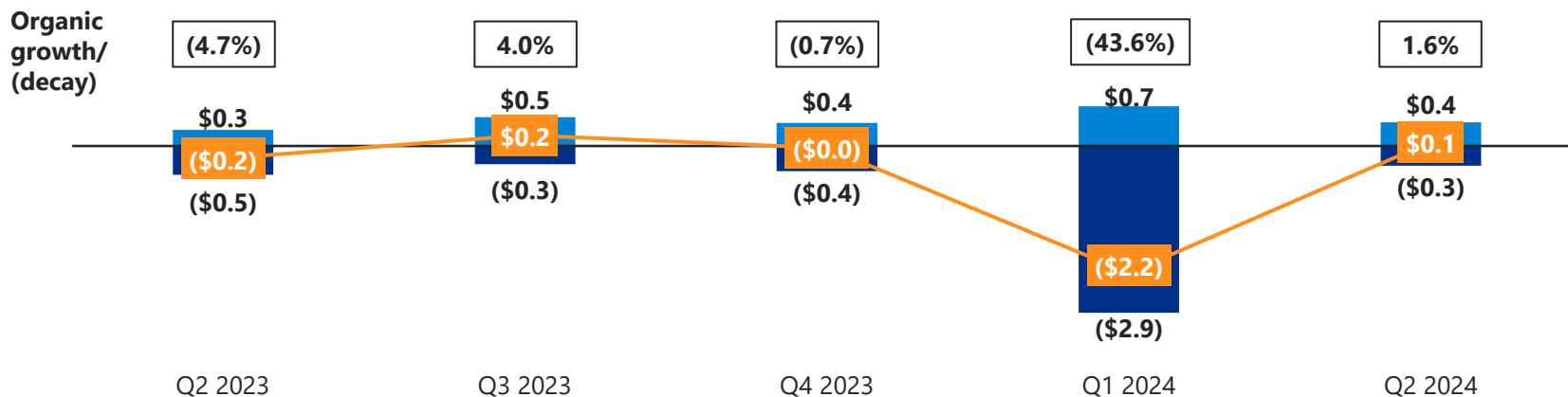
\$ in billions

Inflows Outflows Net flows

## Open-end funds



## Advisory



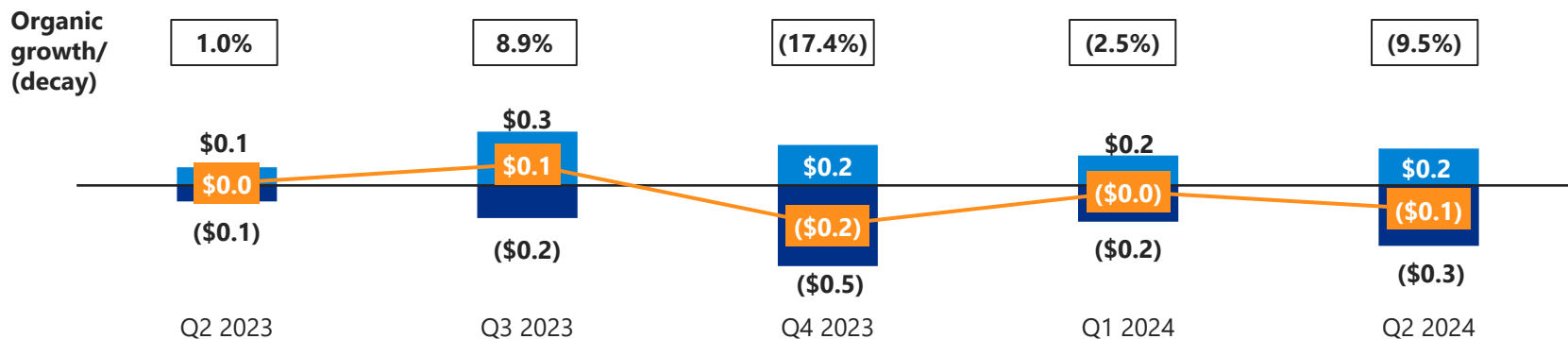
Totals may not foot due to rounding.

# Net flows by investment vehicle

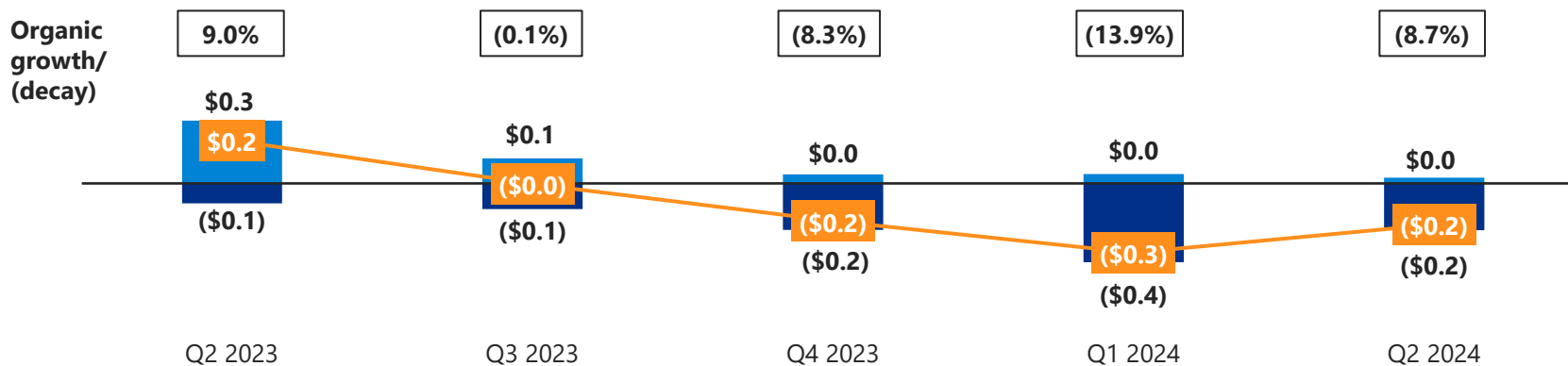
\$ in billions

Inflows Outflows Net flows

## Subadvisory ex. Japan



## Japan subadvisory



Totals may not foot due to rounding.

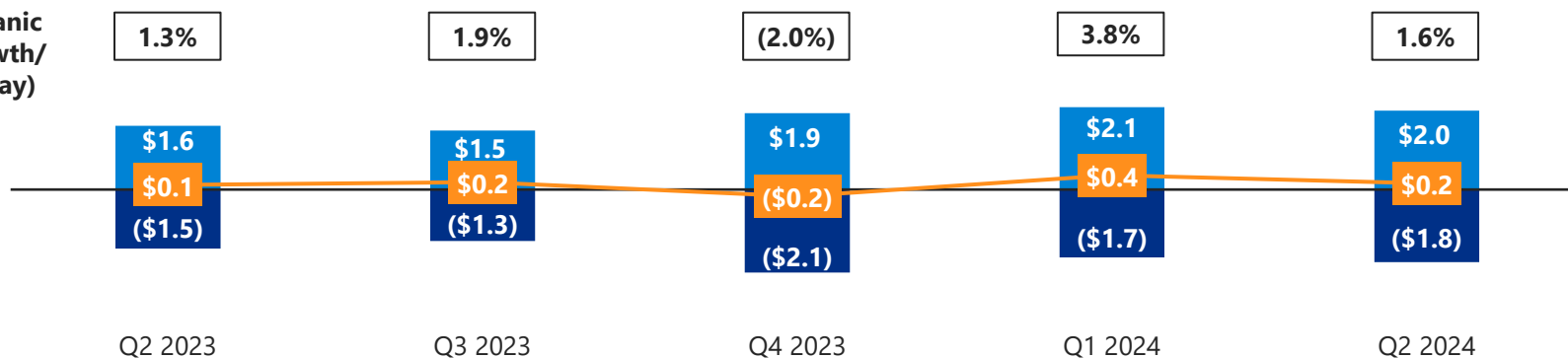
# Net flows by investment strategy

\$ in billions

Inflows Outflows Net flows

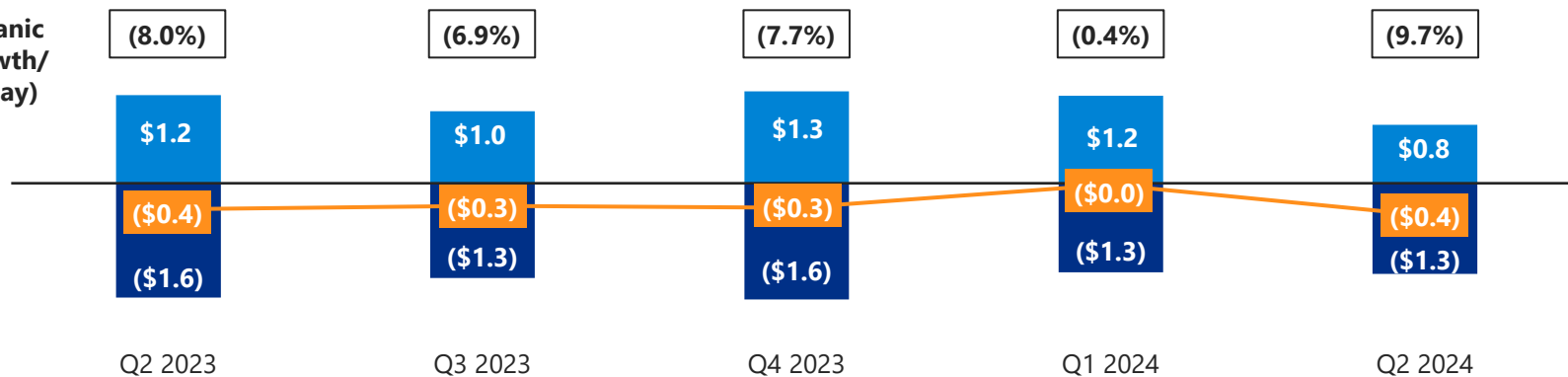
## U.S. real estate

Organic growth/  
(decay)



## Preferred securities

Organic growth/  
(decay)



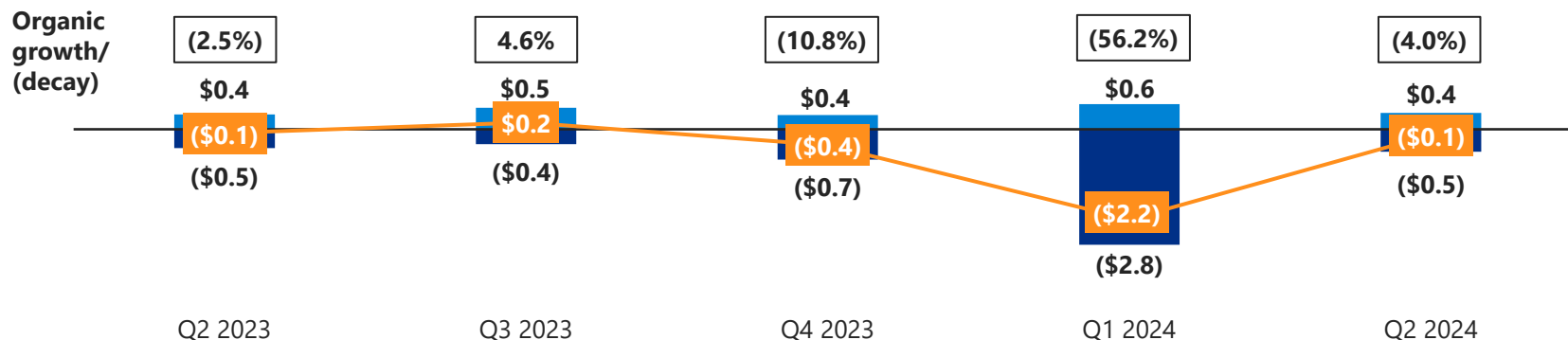
Totals may not foot due to rounding.

# Net flows by investment strategy

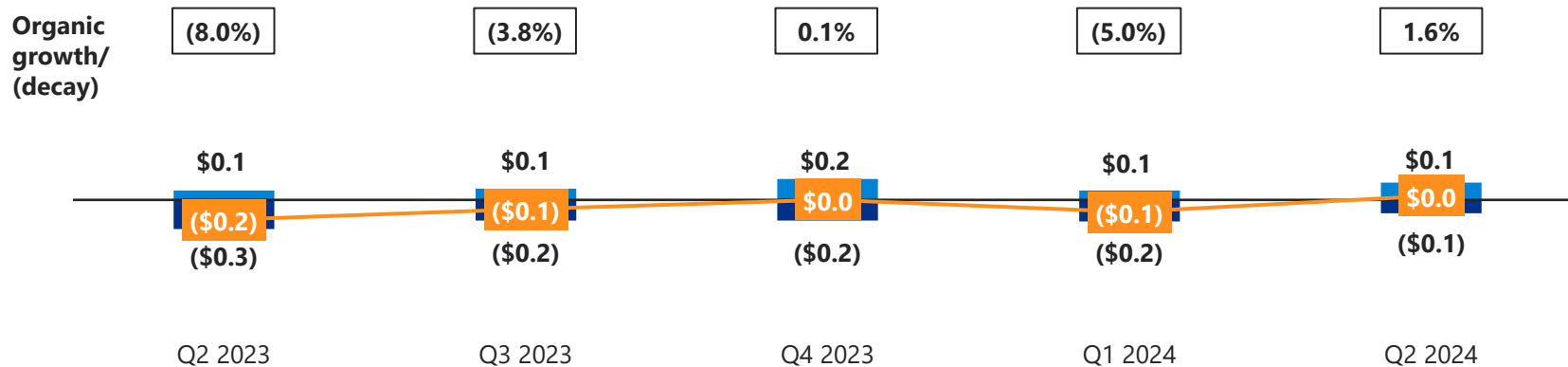
\$ in billions

Inflows Outflows Net flows

## Global/international real estate



## Global listed infrastructure

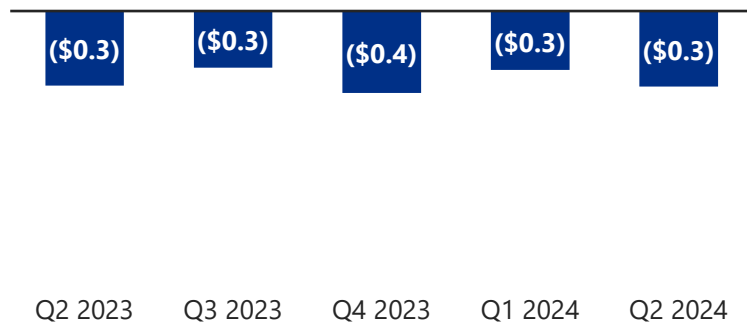


Totals may not foot due to rounding.

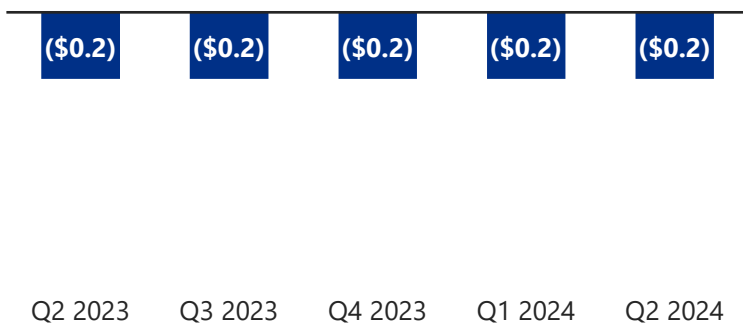
# Distributions by investment vehicle

\$ in billions

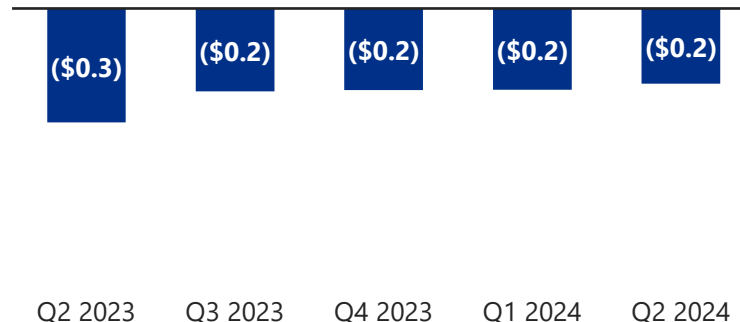
## Open-end funds



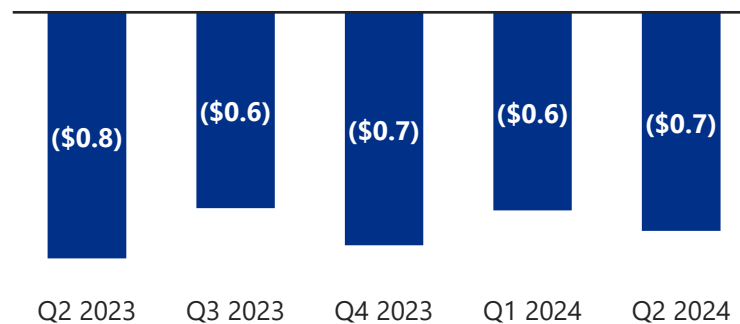
## Closed-end funds



## Japan subadvisory



## Total



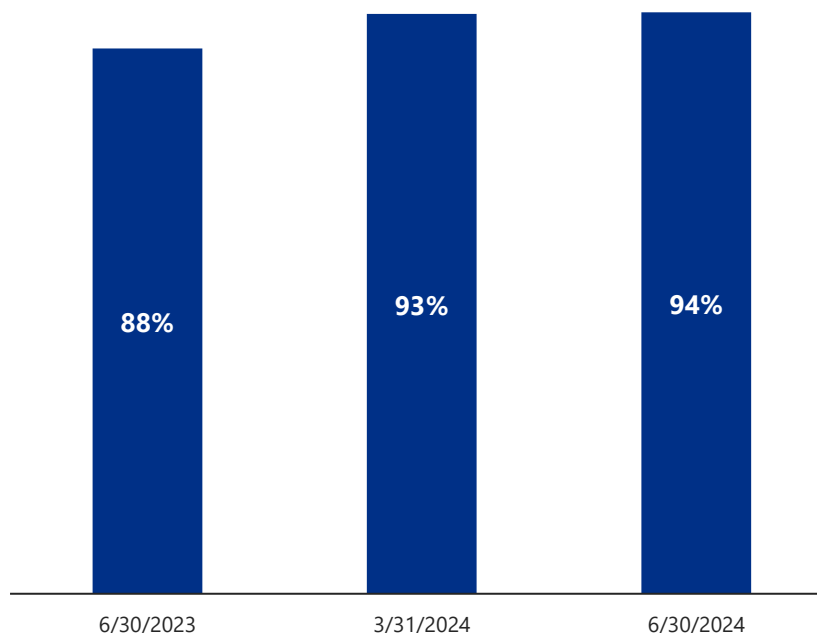
Totals may not foot due to rounding.

# Investment performance

**% of total AUM in outperforming strategies<sup>(1)</sup>**



**% of U.S. open-end fund AUM rated 4 or 5 stars by Morningstar<sup>(2)</sup>**

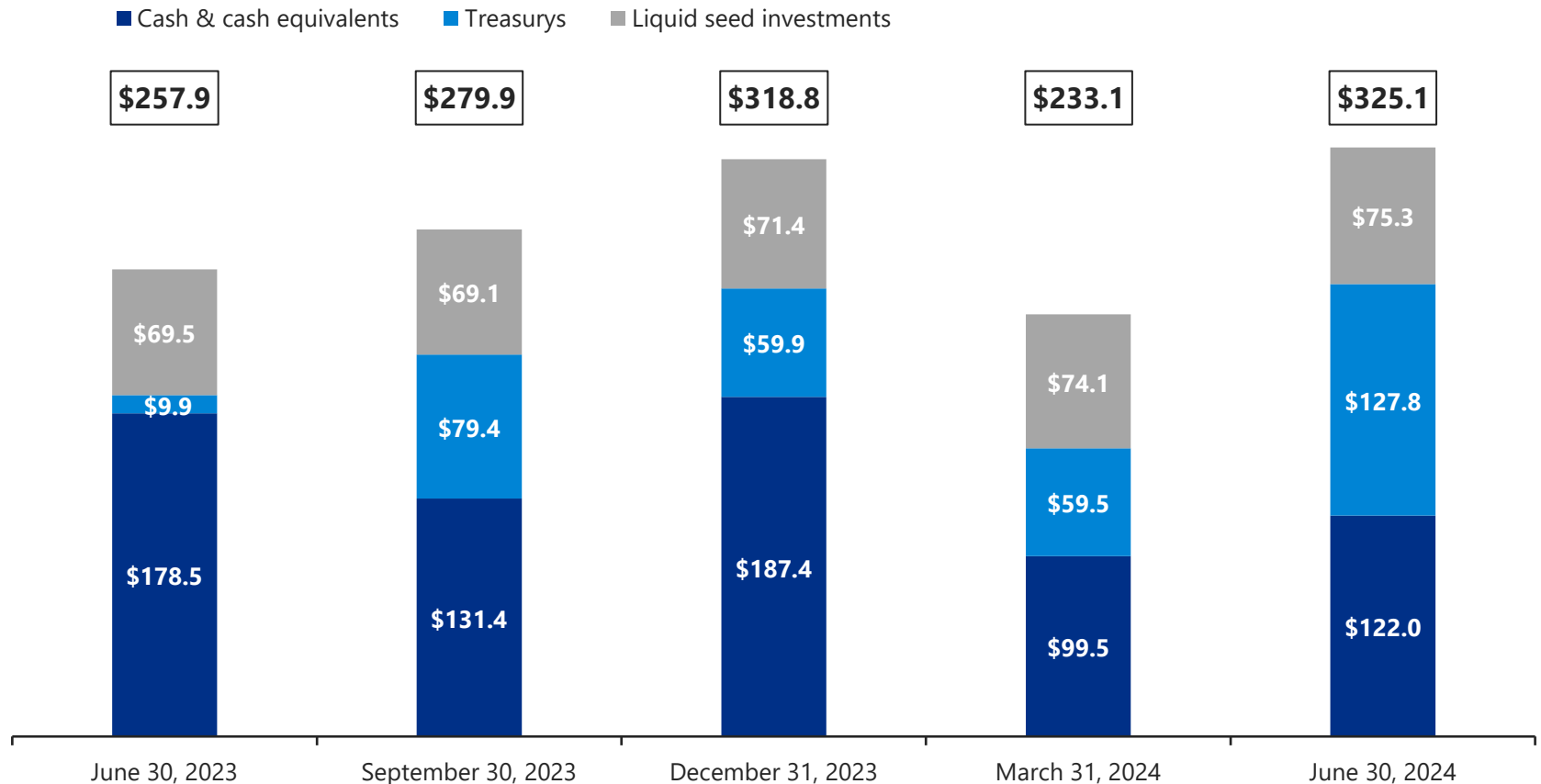


(1) Past performance is no guarantee of future results. Outperformance is determined by comparing the annualized investment performance of each investment strategy to the performance of specified reference benchmarks. Investment performance in excess of the performance of the benchmark is considered outperformance. The investment performance calculation of each investment strategy is based on all active accounts and investment models pursuing similar investment objectives. For accounts, actual investment performance is measured gross of fees and net of withholding taxes. For investment models, for which actual investment performance does not exist, the investment performance of a composite of accounts pursuing comparable investment objectives is used as a proxy for actual investment performance. The performance of the specified reference benchmark for each account and investment model is measured net of withholding taxes, where applicable. This is not investment advice and may not be construed as sales or marketing material for any financial product or service sponsored or provided by Cohen & Steers.

(2) Past performance is no guarantee of future results. Based on independent rating by Morningstar, Inc. of investment performance of each Cohen & Steers-sponsored open-end U.S.-registered mutual fund for all share classes for the overall period as of June 30, 2024. Overall Morningstar rating is a weighted average based on the 3-year, 5-year and 10-year Morningstar rating. Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages. This is not investment advice and may not be construed as sales or marketing material for any financial product or service sponsored or provided by Cohen & Steers. See Legal Disclosures on page 21 of this presentation for more information about our investment performance.

# Cash, cash equivalents, liquid seed investments and U.S. Treasurys

\$ in millions



Totals may not foot due to rounding.

# Reconciliations of U.S. GAAP to as adjusted financial results

Management believes that use of the following as adjusted (non-GAAP) financial results provides greater transparency into the company's operating performance. In addition, these as adjusted financial results are used to prepare the company's internal management reports, which are used in evaluating its business.

While management believes that these as adjusted financial results are useful in evaluating operating performance, this information should be considered as supplemental in nature and not as a substitute for the related financial information prepared in accordance with U.S. GAAP.



# Reconciliation of U.S. GAAP to as adjusted results

## Net income attributable to common stockholders and diluted earnings per share

\$ in thousands, except per share data

	Three Months Ended				
	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024
<b>Net income attributable to common stockholders, U.S. GAAP</b>	<b>\$31,778</b>	<b>\$32,140</b>	<b>\$29,817</b>	<b>\$34,004</b>	<b>\$31,771</b>
Seed investments - net <sup>(1)</sup>	35	2,900	(1,651)	(1,003)	(84)
Accelerated vesting of restricted stock units	108	327	638	2,211	2,496
Other non-recurring expenses <sup>(2)</sup>	—	—	—	—	1,196
Lease transition and other costs - 280 Park Avenue <sup>(3)</sup>	2,498	2,321	2,459	807	—
Foreign currency exchange (gains) losses – net <sup>(4)</sup>	1,073	(1,713)	1,921	(456)	30
Tax adjustments - net <sup>(5)</sup>	(750)	(1,203)	219	(910)	(877)
Net income attributable to common stockholders, as adjusted	\$34,742	\$34,772	\$33,403	\$34,653	\$34,532
<b>Diluted weighted average shares outstanding</b>	<b>49,463</b>	<b>49,617</b>	<b>49,725</b>	<b>49,835</b>	<b>50,770</b>
<b>Diluted earnings per share, U.S. GAAP</b>	<b>\$0.64</b>	<b>\$0.65</b>	<b>\$0.60</b>	<b>\$0.68</b>	<b>\$0.63</b>
Seed investments – net <sup>(1)</sup>	—*	0.06	(0.03)	(0.02)	—*
Accelerated vesting of restricted stock units	—*	0.01	0.01	0.05	0.05
Other non-recurring expenses <sup>(2)</sup>	—	—	—	—	0.02
Lease transition and other costs - 280 Park Avenue <sup>(3)</sup>	0.05	0.05	0.05	0.02	—
Foreign currency exchange (gains) losses – net <sup>(4)</sup>	0.02	(0.04)	0.04	(0.01)	—*
Tax adjustments - net <sup>(5)</sup>	(0.01)	(0.03)	—*	(0.02)	(0.02)
Diluted earnings per share, as adjusted	\$0.70	\$0.70	\$0.67	\$0.70	\$0.68

\* Amounts round to less than \$0.01 per share.

(1) Represents adjustment to remove the impact of consolidated investment vehicles and the net effect of corporate seed performance.

(2) Represents incremental expenses associated with the separation of certain employees.

(3) Represents adjustment to remove the impact of lease and other expenses related to the company's prior headquarters, for which the lease expired in January 2024. From a GAAP perspective, the company recognized lease expense on both its prior and current headquarters as a result of overlapping lease terms.

(4) Represents net foreign currency exchange (gains) losses associated with U.S. dollar-denominated assets held by certain foreign subsidiaries.

(5) Tax adjustments are summarized in the following table:

Exclusion of tax effects associated with items noted above	(\$747)	(\$1,211)	\$158	(\$500)	(\$1,045)
Exclusion of discrete tax items	(3)	8	61	(410)	168
Total tax adjustments	(\$750)	(\$1,203)	\$219	(\$910)	(\$877)

# Reconciliation of U.S. GAAP to as adjusted results

## Revenue, expenses, operating income and operating margin

\$ in thousands, except percentages

	Three Months Ended				
	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024
<b>Revenue, U.S. GAAP</b>	<b>\$120,630</b>	<b>\$123,737</b>	<b>\$119,188</b>	<b>\$122,710</b>	<b>\$121,721</b>
Seed investments <sup>(1)</sup>	(321)	(186)	(142)	234	267
Revenue, as adjusted	\$120,309	\$123,551	\$119,046	\$122,944	\$121,988
<b>Expenses, U.S. GAAP</b>	<b>\$79,789</b>	<b>\$82,866</b>	<b>\$81,322</b>	<b>\$82,445</b>	<b>\$83,319</b>
Seed investments <sup>(1)</sup>	(694)	(532)	(528)	(175)	(181)
Accelerated vesting of restricted stock units	(108)	(327)	(638)	(2,211)	(2,496)
Other non-recurring expenses <sup>(2)</sup>	—	—	—	—	(1,196)
Lease transition and other costs - 280 Park Avenue <sup>(3)</sup>	(2,498)	(2,321)	(2,459)	(807)	—
Expenses, as adjusted	\$76,489	\$79,686	\$77,697	\$79,252	\$79,446
<b>Operating income, U.S. GAAP</b>	<b>\$40,841</b>	<b>\$40,871</b>	<b>\$37,866</b>	<b>\$40,265</b>	<b>\$38,402</b>
Seed investments <sup>(1)</sup>	373	346	386	409	448
Accelerated vesting of restricted stock units	108	327	638	2,211	2,496
Other non-recurring expenses <sup>(2)</sup>	—	—	—	—	1,196
Lease transition and other costs - 280 Park Avenue <sup>(3)</sup>	2,498	2,321	2,459	807	—
Operating income, as adjusted	\$43,820	\$43,865	\$41,349	\$43,692	\$42,542
<b>Operating margin, U.S. GAAP</b>	<b>33.9%</b>	<b>33.0%</b>	<b>31.8%</b>	<b>32.8%</b>	<b>31.5%</b>
Operating margin, as adjusted	36.4%	35.5%	34.7%	35.5%	34.9%

(1) Represents adjustment to remove the impact of consolidated investment vehicles from the company's financial results.

(2) Represents incremental expenses associated with the separation of certain employees.

(3) Represents adjustment to remove the impact of lease and other expenses related to the company's prior headquarters, for which the lease expired in January 2024. From a GAAP perspective, the company recognized lease expense on both its prior and current headquarters as a result of overlapping lease terms.

# Reconciliation of U.S. GAAP to as adjusted results

## Non-operating income (loss)

\$ in thousands

	Three Months Ended				
	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024
<b>Non-operating income (loss), U.S. GAAP</b>	<b>\$2,650</b>	<b>(\$5,159)</b>	<b>\$16,651</b>	<b>\$5,037</b>	<b>\$2,556</b>
Seed investments - net <sup>(1)</sup>	(1,065)	9,525	(14,857)	(1,822)	1,162
Foreign currency exchange (gains) losses - net <sup>(2)</sup>	1,073	(1,713)	1,921	(456)	30
Non-operating income (loss), as adjusted	\$2,658	\$2,653	\$3,715	\$2,759	\$3,748

(1) Represents adjustment to remove the impact of consolidated investment vehicles and the net effect of corporate seed performance.

(2) Represents net foreign currency exchange (gains) losses associated with U.S. dollar-denominated assets held by certain foreign subsidiaries.

# Reconciliation of U.S. GAAP to as adjusted results

## Summary of Operating Items

	Adjustments					As adjusted
	U.S. GAAP	Seed investments <sup>(1)</sup>	Accelerated vesting of restricted stock units	Other non-recurring expenses <sup>(2)</sup>	Lease transition and other costs - 280 Park Avenue <sup>(3)</sup>	
<b>Q2 2024</b>						
Investment advisory and administration fees	\$114,577	\$254	\$-	\$-	\$-	\$114,831
Other	\$513	\$13	\$-	\$-	\$-	\$526
Employee compensation and benefits	\$53,097	\$-	(\$2,496)	(\$1,196)	\$-	\$49,405
General and administrative	\$14,684	(\$181)	\$-	\$-	\$-	\$14,503
<b>Q1 2024</b>						
Investment advisory and administration fees	\$115,345	\$221	\$-	\$-	\$-	\$115,566
Other	\$548	\$13	\$-	\$-	\$-	\$561
Employee compensation and benefits	\$52,003	\$-	(\$2,211)	\$-	\$-	\$49,792
General and administrative	\$14,793	(\$175)	\$-	\$-	(\$807)	\$13,811
<b>Q4 2023</b>						
Investment advisory and administration fees	\$112,033	(\$154)	\$-	\$-	\$-	\$111,879
Other	\$508	\$12	\$-	\$-	\$-	\$520
Employee compensation and benefits	\$49,601	\$-	(\$638)	\$-	\$-	\$48,963
General and administrative	\$17,308	(\$528)	\$-	\$-	(\$2,459)	\$14,321
<b>Q3 2023</b>						
Investment advisory and administration fees	\$116,226	(\$197)	\$-	\$-	\$-	\$116,029
Other	\$497	\$11	\$-	\$-	\$-	\$508
Employee compensation and benefits	\$52,830	\$-	(\$327)	\$-	\$-	\$52,503
General and administrative	\$15,546	(\$532)	\$-	\$-	(\$2,321)	\$12,693
<b>Q2 2023</b>						
Investment advisory and administration fees	\$113,118	(\$332)	\$-	\$-	\$-	\$112,786
Other	\$535	\$11	\$-	\$-	\$-	\$546
Employee compensation and benefits	\$48,893	\$-	(\$108)	\$-	\$-	\$48,785
General and administrative	\$16,728	(\$694)	\$-	\$-	(\$2,498)	\$13,536
<b>FY 2023</b>						
Investment advisory and administration fees	\$459,411	(\$512)	\$-	\$-	\$-	\$458,899
Other	\$2,026	\$46	\$-	\$-	\$-	\$2,072
Employee compensation and benefits	\$200,181	\$-	(\$1,318)	\$-	\$-	\$198,863
General and administrative	\$66,704	(\$2,021)	\$-	\$-	(\$9,721)	\$54,962

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(3) Represents adjustment to remove the impact of lease and other expenses related to the company's prior headquarters, for which the lease expired in January 2024. From a GAAP perspective, the company recognized lease expense on both its prior and current headquarters as a result of overlapping lease terms.

# Legal disclosures

This presentation and other statements that Cohen & Steers may make may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which reflect management's current views with respect to, among other things, the company's operations and financial performance. You can identify these forward-looking statements by the use of words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates" or the negative versions of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these forward-looking statements. The company believes that these factors include, but are not limited to, the risks described in the Risk Factors section of the company's Annual Report on Form 10-K for the year ended December 31, 2023 (the Form 10-K), which is accessible on the Securities and Exchange Commission's website at [www.sec.gov](http://www.sec.gov) and on the company's website at [www.cohenandsteers.com](http://www.cohenandsteers.com). These factors are not exhaustive and should be read in conjunction with the other cautionary statements that are included in the company's Form 10-K and other filings with the Securities and Exchange Commission. The company undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

This presentation contains adjusted financial results that we believe are meaningful in evaluating the company's performance. For disclosures on these adjusted financial results and their U.S. GAAP reconciliations, you should refer to the Reconciliation of U.S. GAAP to As Adjusted Results contained on pages 16-20 of this presentation.

## Investment Performance:

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